

# PREMISES PERMITS & LEASES

To be able to conduct gambling at a premises—whether it is leased or owned—an organization must meet the specific requirements outlined in this chapter.

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## Premises Permit Application

### LG214 Premises Permit Application; term of permit; fee

This application requires specific information about a gambling premises and the type of activity an organization plans to conduct at the premises.

- **Limit.** There is no limit on the number of premises permits an organization may have.
- **Same site.** There is no limit on the number of organizations conducting gambling at a site.
- **Additional permits.** Additional premises permits may be applied for at any time.
- **Electronic game devices.** The number of electronic pull-tab and electronic linked bingo devices available for play at each site is limited to:
  - Six of each at sites with less than 200 seats.
  - Twelve of each at sites with 200 or more seats.
  - Fifty of each at sites where the primary business is bingo (bingo hall) and the site seats at least 100 people.

Seating capacity is determined by the fire marshal and is posted at each site.

- **Dispensing devices limited.** Pull-tab dispensing devices are limited to three at a premises for all organizations combined.
- **Table limits.** Paddlewheel tables are limited to two at a premises for all organizations combined.

Local gambling ordinances may affect an organization's conduct of lawful gambling. The city or county may have restrictions on gambling within its jurisdiction.

- **Term of permit.** The term of a premises permit is concurrent with the organization's license and is perpetual (no renewal application required) unless the permit is suspended or revoked by the Board or otherwise terminated by the organization.
- **Fee.** The fee for a premises permit is \$150. Premises permit fees are not prorated, refundable, or transferable.

Each year thereafter the Board will send the CEO a notice of the annual fee (\$150) due for each premises permit.

### Local Unit of Government—approval and authority

|                          |  |
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| <b>Local approval</b>    | <p>Before the Gambling Control Board can issue a premises permit, the local unit of government where the premises is located (city or county) must give prior approval of the application.</p> <p>To give prior approval, the local unit of government must:</p> <ul style="list-style-type: none"> <li>• record, on the application form, the date the application was approved by resolution;</li> <li>• record, on the application form, the resolution number; and</li> <li>• sign and date the application.</li> </ul> <p>The approval must be within 90 days of the date that the application is received by the Gambling Control Board.</p> |
| <b>Investigation fee</b> | <p>A city or county may charge an investigation fee:</p> <ul style="list-style-type: none"> <li>• when an organization applies for an initial premises permit, and</li> <li>• annually on organizations conducting lawful gambling at a site within its jurisdiction.</li> </ul> <p>The fee may not exceed these limits:</p> <ul style="list-style-type: none"> <li>\$500—for cities of the first class</li> <li>\$250—for cities of the second class</li> <li>\$100—for all other cities</li> <li>\$375—for counties</li> </ul> <p>The city or county may not charge an investigation fee if they impose a local gambling tax.</p>                |

| <b>Premises Permit Application</b> (continued)   |  |
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| <b>LG215 Lease for Lawful Gambling Activity</b>  |  |
| <b>Leased sites—use LG215 lease form</b>   | <ul style="list-style-type: none"> <li>For leased sites, submit the LG215 Lease for Lawful Gambling Activity for activity involving electronic games, pull-tabs, pull-tab dispensing devices, tipboards, bingo, and paddlewheels.</li> <li>Most “meat raffles” are the conduct of tipboards or paddlewheels and require a lease (LG215).</li> <li>No lease is required for raffle-only activity.</li> </ul>  |
| <b>Lease term</b>  | The term of the lease runs concurrent with the premises permit, that is, it is perpetual until terminated by either the lessor or the organization with a term negotiated between the organization and the lessor as stated on page 1 of the lease.  |
| <b>Lease for premises wholly leased for organization activities</b>  | <p>If an organization currently leases an entire premises for the organization’s activities and is now applying for a premises permit to conduct lawful gambling there, the organization must submit both of the following:</p> <ul style="list-style-type: none"> <li>a copy of the original lease between the organization and the lessor, and</li> <li>a copy of the gambling lease (LG215).</li> </ul> <p>The space to be rented for gambling must have been specifically excluded from the original lease agreement between an organization and the lessor.</p> |
| <b>Owned premises</b>  | <ul style="list-style-type: none"> <li>If an organization owns the gambling premises, no lease is required.</li> <li>If an organization owns the gambling premises and has a holding company, the organization may not pay rent to its holding company for gambling activities.</li> </ul>   |
| <b>Lease: Rent is all-inclusive</b>  |  |
| <p>Amounts paid as rent by an organization to the lessor are all-inclusive, unless approved by the director of the Gambling Control Board.</p> <p>No other services or expenses provided or contracted by the lessor may be paid by an organization, including but not limited to:</p> <ul style="list-style-type: none"> <li>trash removal</li> <li>janitorial and cleaning services</li> <li>snow removal</li> <li>lawn services</li> <li>electricity</li> <li>heat</li> <li>security, security monitoring</li> <li>storage</li> <li>other utilities or services</li> </ul> <p>In bar operations, the lessor must reimburse the organization for any cash shortages.</p> <p>When using a <b>pull-tab dispensing device in a bar operation:</b></p> <ol style="list-style-type: none"> <li>the lessor is responsible for cash shortages relating to the redemption of tickets, and</li> <li>an organization is responsible for cash shortages caused by malfunctions of the dispensing device.</li> </ol> <p>For compensation restrictions, refer to the <i>Allowable Expenses</i> chapter.</p> |  |

## Premises Permit Application (continued)

### Lease: Rent limits for gambling activity

For activity involving electronic games, pull-tabs, pull-tab dispensing devices, tipboards, and paddlewheels, rent is based on the following.

#### **“Does your organization OR any other organization conduct gambling from a booth operation at this location?”**

**If the answer is yes,** rent for booth operations is based on the following:

- Up to 10% of gross profits (net after prizes) with a cap (maximum) of \$1,750 paid per month.
- Up to 15% of gross profits (net receipts) for electronic games, if the lessor sells from the bar even if there's a booth.

**If the answer is no,** rent for a bar operation is based on the following:

- Up to 20% of gross profits (net after prizes), with no rent cap (excluding electronic games).
- Up to 15% of gross profits (net receipts) for electronic games, with no rent cap.

If one organization has a booth op and another organization has a bar op at the same site, the rent limit for booth ops applies to both organizations.

The maximum rent allowed may not exceed \$1,750 in total per month for all organizations at the site/premises (excluding any additional rent included for electronic games conducted by the lessor).

**Booth operation** (booth op) means a method of selling and redeeming gambling equipment by an employee of a licensed organization in a site (premises) the organization leases or owns where such sales and redemptions are made within a separate enclosure that is distinct from areas where food and beverages are sold.

**Bar operation** (bar op) means a method of selling and redeeming gambling equipment within a leased site (premises) licensed for on-sale alcoholic beverages where such sales and redemption are made by an employee of the lessor from a common area where food and beverages are also sold.

### Lease: Bar bingo

Although no rent may be paid for a bar bingo occasion, a lease is required.

To conduct bar bingo, the premises must serve intoxicating liquor or 3.2% malt beverages and at least one other form of gambling must be conducted at the site.

### Lease: Rent limits for bingo

Bingo and all other gambling activities conducted during a bingo occasion are subject to one of the following limits:

- not more than 10% of the monthly gross profit from all lawful gambling activities held during bingo occasions, excluding bar bingo; **or**
- at a rate based on a cost per square foot not to exceed 110% of a comparable cost per square foot for leased space as approved by the director of the Gambling Control Board.

Bingo rent payments may not be determined by the number of participants attending a bingo occasion.

## Lessor Restrictions and Requirements

The information below describes the restrictions imposed on the lessor by rule and statute and is contained in the lease form provided by the Gambling Control Board.

|   |  |
|---|--|
| <b>Management by owner or lessor prohibited</b>   | The owner or lessor of the premises may not manage the conduct of lawful gambling at the premises.   |
| <b>Lessor may not impose restrictions on gambling equipment or LPE</b>                  | The lessor may not impose restrictions on an organization with respect to providers (distributors or linked bingo game providers) of gambling-related equipment and services or in the use of net profits for lawful purposes.   |
| <b>Illegal gambling prohibited</b>  | <ul style="list-style-type: none"> <li>The lessor is aware of the prohibition against illegal gambling in Minnesota Statutes, Section 609.75, and the penalties for illegal gambling violations in Minnesota Rules, Part 7865.0220, subpart 3.</li> <li>The lessor must not modify or terminate a lease in whole or in part because an organization reported to a state or local law enforcement authority or to the Gambling Control Board the conduct of illegal gambling activity at the site in which an organization did not participate.</li> </ul>  |
| <b>Access to premises required</b>  | <p>The lessor must provide an organization access to the permitted premises during any time reasonable and necessary to conduct lawful gambling on the premises and as agreed upon in the lease.</p> <p>The lessor must allow the Gambling Control Board and its agents, the commissioners of public safety and revenue and their agents, and law enforcement personnel to inspect the premises at any reasonable time during business hours of the lessor.</p>  |
| <b>Participation as player prohibited</b>   | <p>The lessor may not participate as a player in the conduct of gambling on the leased premises.</p> <p>For information pertaining to the lessor's immediate family and lessor's employees, refer to the <i>"Who May Participate in Lawful Gambling"</i> information in each "conduct" chapter of this manual.</p>   |
| <b>Lessor records required</b>  | <p>The lessor must maintain a record of all money received from the organization, and make the record available to the Board and its agents, and the commissioners of revenue and public safety and their agents, upon demand.</p> <p>The records must be maintained in a secured area, not susceptible to flooding, for 3-1/2 years.</p>  |
| <b>Lessor may not require an organization to perform violations of statute and rule</b> | <ul style="list-style-type: none"> <li>The lessor, any person residing in the same household as the lessor, the lessor's immediate family, and any agents or employees of the lessor may not require an organization to perform any action that would violate statute or rule.</li> <li>The lessor must not modify or terminate the lease in whole or in part due to the lessor's violation of this provision.</li> <li>If there is a dispute as to whether a violation occurred, the lease will remain in effect pending a final determination by the Compliance Review Group (CRG) of the Gambling Control Board.</li> <li>The lessor agrees to arbitration when a violation of this provision is alleged. The arbitrator is the CRG.</li> </ul> |

## Reporting Premises Permit Changes

Organizations are required to submit to the Gambling Control Board changes in their premises permit information, which include:

- Discontinuation of gambling at the permitted premises.
- Changing the gambling bank account, including bank name changes.
- Changes to off-site storage.

The LG1017 Reporting Premises Permit Changes must be completed and submitted to the Gambling Control Board within ten days of the change.

The form is available at **[www.mn.gov/gcb](http://www.mn.gov/gcb)** or from the Gambling Control Board.

## Reporting Other Premises Permit Changes

**Other changes that must be reported for premises permits.  
Do not submit LG1017 for the changes listed below.**

|                          |   |
|--------------------------|---|
| <b>Changes in lease</b>  | Submit a new LG215 Lease for Lawful Gambling Activity ten days <b>before</b> the effective date of the change.  |
| <b>Moving a site</b>     | <p><b>Transfer of a premises permit is not allowed.</b><br/>Because premises permits are issued for a specific address, a permit may not be transferred from one location to another for the conduct of gambling.</p> <p><b>Stop gambling.</b><br/>If gambling will be moved to a new location/address, an organization may not conduct gambling at the new location/address until a new premises permit is received from the Gambling Control Board.</p> <ul style="list-style-type: none"> <li>• Submit an LG214 Premises Permit Application.</li> <li>• Refer to the LG214 application form for instructions.</li> </ul> |
| <b>New owner of site</b> | Submit a new LG215 Lease for Lawful Gambling Activity within <b>ten days</b> after the new lessor has assumed ownership.  |
| <b>New site added</b>    | <ul style="list-style-type: none"> <li>• Submit an LG214 Premises Permit Application for each address.</li> <li>• Refer to the LG214 application form for instructions.</li> <li>• Gambling may not be conducted until a premises permit is received from the Gambling Control Board for the new site.</li> </ul>   |
| <b>Off-site activity</b> | <ul style="list-style-type: none"> <li>• Submit an LG230 Application to Conduct Off-Site Gambling. There is no cost for this permit.</li> <li>• Refer to the LG230 application form for instructions.</li> </ul>  |

| <b>Off-Site Permit</b>   |  |
|--|--|
| A licensed organization may apply to conduct lawful gambling on premises other than the organization's permitted premises for <b>12 events per calendar year, not to exceed three days per event.</b>                    |  |
| <b>LG230 Application to Conduct Off-Site Gambling</b>  |  |
| <b>Permit needed</b>   | <p>A licensed organization may conduct off-site activity if the organization has:</p> <ul style="list-style-type: none"> <li>submitted an application; and</li> <li>received a permit from the Gambling Control Board.</li> </ul>  |
| <b>Application information</b>   | <p>The LG230 application requires information on the date, location, and type of gambling to be conducted for an off-site activity.</p> <p><b>Lease information.</b> Even if no rent is paid, a lease agreement is required, including government-owned property such as fire halls, city parks, etc. The lease agreement information is contained within the application form itself, so a separate lease is not required.</p> <p>The lease information includes:</p> <ul style="list-style-type: none"> <li>amount of rent to be paid, even if \$0;</li> <li>all obligations and agreements between the lessor and the organization; and</li> <li>name and signature of the lessor.</li> </ul> <p>A lease agreement is not required if:</p> <ul style="list-style-type: none"> <li>the organization owns the premises where gambling activity will be conducted; or</li> <li>the organization is only conducting a raffle. NOTE: Tipboard and paddlewheel "meat raffles" require a lease.</li> </ul> <p><b>Fee.</b> There is no application fee, as a fee for an off-site permit may not be imposed by the Board, a city, or a county.</p> |
| <b>Local approval</b>  | <p>Before the Gambling Control Board can issue an off-site permit, the local unit of government where the premises is located (city or county) must give prior approval of the application.</p> <p>To give prior approval, the local unit of government must:</p> <ul style="list-style-type: none"> <li>record, on the application form, the date the application was approved by resolution;</li> <li>record, on the application form, the resolution number; and</li> <li>sign and date the application.</li> </ul> <p>The approval must be within 90 days of the date that the application is received by the Gambling Control Board.</p>  |
| <b>Receipts from off-site activity</b>   |  |
| <p>Receipts from an off-site activity must be:</p> <ul style="list-style-type: none"> <li>deposited in the organization's gambling account; and</li> <li>reported on a separate LG100A using site number 999.</li> </ul> |  |

## Consent Form (Electronic Pull-Tabs or Bar Bingo)

**Electronic Pull-Tabs without Paper Pull-Tabs.** Generally, organizations that conduct electronic pull-tabs at a site are required to also conduct paper pull-tabs at that site. If this is true for your organization, no consent form is required. However, your organization may conduct electronic pull-tabs at a site without having to also conduct paper pull-tabs if consent is obtained from the organization already conducting paper pull-tabs at the site.

**Bar Bingo without Another Form of Lawful Gambling.** Generally, organizations that conduct bar bingo at a site are required to also conduct another form of gambling at that site. If this is true for your organization, no consent form is required. However, your organization may conduct bar bingo at a site without having to also conduct another form of lawful gambling if consent is obtained from the organization already conducting another form of lawful gambling at the site.

**Written Consent.** Submit written consent with your premises permit application. The consent form below is provided for convenience; however, any written consent will meet the requirement.

### Consent Form

Organization A listed below consents to Organization B conducting electronic gambling and/or bar bingo at the premises.

|   |                            |
|---|----------------------------|
| Organization A:   | Organization B*:           |
| Name and Address of Permitted Premises:   |                            |
| Premises Permit Number:   | Effective Date of Consent: |
| Circle One or Both:<br><div style="text-align: center; margin-top: 10px;">Electronic Pull-Tabs and/or Bar Bingo</div> |                            |

\_\_\_\_\_  
Chief Executive Officer (CEO) Signature, Organization A

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

\* Organization B: Provide the signed written consent to the Gambling Control Board with your premises permit application.

This form is provided for convenience, but any written consent is accepted.

*Minnesota Gambling Control Board*  
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